

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF ELAM UTILITY)	CASE NO. 9375-D
COMPANY)	

O R D E R

On September 10, 1986, Elam Utility Company ("Elam") notified the Commission that on July 1, 1986, it began purchasing natural gas through Columbia Gas Transmission ("Transmission") Special Marketing Program Pool. In its Order of September 30, 1986, the Commission approved a deviation in Elam's purchased gas adjustment ("PGA"), allowing it to make a customer refund every 3 months to reconcile the collections from its customers and payments to Transmission. On October 22, 1986, Elam filed its refund plan for the months of July, August and September.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

- (1) Elam has net over-collections in the amount of \$3,274 to be refunded to its customers. A refund factor of \$1.57 per Mcf should be used as a reduction in the purchased gas adjustment and should remain in effect for 3 months or until such time as the full amount plus interest is refunded to Elam's customers.
- (2) The refund should begin with meter readings taken on October 1, 1986, or as soon as practical thereafter.

(3) Elam should refund the amount reported plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Review.

(4) Elam's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9375 dated January 13, 1986, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after October 1, 1986.

(5) Elam should report to this Commission the amount of excess revenues collected from October 1, 1986 to January 1, 1987, along with a plan to refund the over-collections to its customers.

(6) In its application of October 22, 1986, Elam requested that its response date be changed from the 15th day to the 20th day of the month after each reporting period because of the time involved in receiving information from Transmission. Elam should, therefore, be allowed to file its refund plans no later than 20 days from the end of the quarter.

IT IS THEREFORE ORDERED that:

(1) Elam shall apply a refund factor in the amount of \$1.57 per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on October 1, 1986, or as soon as practical thereafter, and this refund factor shall remain in effect until the amount refunded will, as nearly as possible, reflect the amount received plus interest. Interest shall be calculated in the manner specified herein.

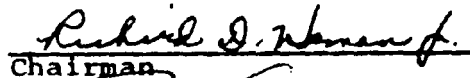
(2) Within 30 days of the date of this Order Elam shall file with this Commission its revised tariffs setting out the refund factor authorized herein.

(3) Within 20 days after January 1, 1987, Elam shall file with this Commission the amount of excess revenues collected from its customers, along with a refund plan, for October 1, 1986, to January 1, 1987.

(4) Within 30 days from the date the refund factor is terminated Elam shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 10th day of November, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director